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SENATE BILL 226

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO TAXATION; REDUCING THE TOP INCOME TAX RATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-7 NMSA 1978 (being Laws 1994, Chapter 5, Section 20, as amended) is amended to read:

"7-2-7. INDIVIDUAL INCOME TAX RATES. --The tax imposed by Section 7-2-3 NMSA 1978 shall be at the following rates for any taxable year beginning on or after January 1, ~~1998~~ 2003:

A. For married individuals filing separate returns:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.7% of taxable income
Over \$ 4,000 but not over \$ 8,000	\$ 68.00 plus 3.2% of excess over \$ 4,000
Over \$ 8,000 but not over \$ 12,000	\$ 196 plus 4.7% of excess over \$ 8,000

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1 Over \$ 12, 000 but not over \$ 20, 000 \$ 384 plus 6. 0% of excess
2 over \$ 12, 000
3 Over \$ 20, 000 but not over \$ 32, 000 \$ 864 plus 7. 1% of excess
4 over \$ 20, 000
5 Over \$ 32, 000 [~~but not over \$ 50, 000~~] \$ 1, 716 plus [~~7. 9%~~] 7. 7% of
6 excess over \$ 32, 000
7 [~~Over \$ 50, 000~~ ~~-----~~ ~~\$ 3, 138 plus 8. 2% of~~
8 ~~excess over \$ 50, 000~~].

9 B. For surviving spouses and married individuals
10 filing joint returns:

11 If the taxable income is:	The tax shall be:
12 Not over \$8, 000	1. 7% of taxable income
13 Over \$ 8, 000 but not over \$ 16, 000	\$ 136 plus 3. 2% of
14	excess over \$ 8, 000
15 Over \$ 16, 000 but not over \$ 24, 000	\$ 392 plus 4. 7% of
16	excess over \$ 16, 000
17 Over \$ 24, 000 but not over \$ 40, 000	\$ 768 plus 6. 0% of
18	excess over \$ 24, 000
19 Over \$ 40, 000 but not over \$ 64, 000	\$ 1, 728 plus 7. 1% of
20	excess over \$ 40, 000
21 Over \$ 64, 000 [but not over \$100, 000] \$ 3, 432 plus [7. 9%] <u>7. 7%</u> of	
22	excess over \$ 64, 000
23 [Over \$100, 000 ----- \$ 6, 276 plus 8. 2% of	
24	excess over \$100, 000].

25 C. For single individuals and for estates and trusts:

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If the taxable income is:	The tax shall be:
Not over \$5,500	1.7% of taxable income
Over \$ 5,500 but not over \$ 11,000	\$ 93.50 plus 3.2% of excess over \$ 5,500
Over \$ 11,000 but not over \$ 16,000	\$ 269.50 plus 4.7% of excess over \$ 11,000
Over \$ 16,000 but not over \$ 26,000	\$ 504.50 plus 6.0% of excess over \$ 16,000
Over \$ 26,000 but not over \$ 42,000	\$1,104.50 plus 7.1% of excess over \$ 26,000
Over \$ 42,000 [but not over \$ 65,000]	\$2,240.50 plus [7.9%] <u>7.7%</u> of excess over \$ 42,000
[Over \$ 65,000	\$4,057.50 plus 8.2% of excess over \$ 65,000].

D. For heads of household filing returns:

If the taxable income is:	The tax shall be:
Not over \$7,000	1.7% of taxable income
Over \$ 7,000 but not over \$ 14,000	\$ 119 plus 3.2% of excess over \$ 7,000
Over \$ 14,000 but not over \$ 20,000	\$ 343 plus 4.7% of excess over \$ 14,000
Over \$ 20,000 but not over \$ 33,000	\$ 625 plus 6.0% of excess over \$ 20,000
Over \$ 33,000 but not over \$ 53,000	\$1,405 plus 7.1% of excess over \$ 33,000

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1 Over \$ 53,000 [~~but not over \$ 83,000~~] \$2,825 plus [~~7.9%~~] 7.7% of
2 excess over \$ 53,000
3 [~~Over \$ 83,000~~ ~~-----~~ ~~\$5,195 plus 8.2% of~~
4 ~~excess over \$ 83,000~~].

5 E. The tax on the sum of any lump-sum amounts
6 included in net income is an amount equal to five multiplied by
7 the difference between:

8 (1) the amount of tax due on the taxpayer's
9 taxable income; and

10 (2) the amount of tax that would be due on an
11 amount equal to the taxpayer's taxable income and twenty
12 percent of the taxpayer's lump-sum amounts included in net
13 income. "

14 Section 2. APPLICABILITY. --The provisions of this act
15 apply to taxable years beginning on or after January 1, 2003.

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